GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:5390
ANSWERED ON:30.04.2002
DISINVESTMENT OF PSUS DURING 10TH PLAN
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have a proposal for the disinvestment of some Public Sector Undertakings during the Tenth Plan;

(b) if so, the PSU`s identified for disinvestment during the said plan period;

(c) the target set for mobilising resources from the sale of equity of the Government in PSU`s in that Plan period;

(d) whether the Government have drawn up any long term plan to attain that target; and

(e) if so, the details thereof?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) Yes, Sir.

(b)&(c) No target has been fixed for disinvestment and no list of PSUs finalised for disinvestment during the 10th plan period . However, the `Approach Paper to the Tenth Five Year Plan`, envisages a figure of Rs.78,000 crore for the sale of Government held equity in PSUs during 2002-2007. Disinvestment in Public Sector Undertakings is a continuous processAs a part of the process, Government keeps considering proposals for disinvestment in various public sector enterprises from time to time. The proposals are considered through Inter-Ministerial consultations and final decisions are taken. The Annual Target for the year 2002-2003 is Rs. 12,000 crore. Presently, action is being taken on about 32 enterprises for disinvestment during the current year. These are: Air India Ltd.(AI), Balmer Lawrie & Co. Ltd.,Bharat Opthalmic Glass Ltd.,Bharat Petroleum Corporation Ltd. (BPCL),Braithwaite & Co., Burn Standard & Co., Engineers India Ltd. (EIL), Engineering Project (India) Ltd. (EPIL), Hindustan Cables Ltd. (HCL), Hindustan Copp Ltd. (HCL), Hindustan Organic Chemicals Ltd. (HOCL), Hindustan Petroleum Corporation Ltd. (HPCL), Hindustan Salts Ltd.,Indian Airlines Ltd. (IA), Madras Fertilizers Ltd. (MFL), MECON Ltd., Minerals & Metals Trading Corporation of India Ltd. (MMTC), Natio Fertilizers Ltd. (NFL), National Aluminium Company Ltd. (NALCO), National Instruments Ltd., Shipping Corporation of India Ltd. (SC Sponge Iron India Ltd. (SIIL), State Trading Corporation of India Ltd. (STC), Tungabahadra Steel Products Ltd. (TSPL),Ty Corporation of India Ltd., Maruti Udyog Ltd. (MUL), India Petrochemicals Corporation Ltd. (IPCL), Bharat Heavy Plates and Vesse Ltd. (BHPV), NEPA Ltd., Instrumentation Control Valves Ltd. (ICVL), India Tourism Development Corporation (ITDC) (remainin hotels) and Hotel Corporation of India Ltd. (remaining hotels). As the policy and procedures have been streamlined and well accepted, Ministry of Disinvestment is hopeful of meeting the annual target for 2002-2003.

(d)&(e) As indicated earlier, disinvestment is a continuous process and each transaction has to go through an elaborate process of participative decision making i.e. elaborate consultations with the concerned administrative Ministries and concerned stakeholders. The achievement of target in disinvestment depends upon various factors like market conditions, financial performance of the companies under considerations, terms and conditions of sale, interest of prospective bidders and adequacy of bid price etc. However, various measures have been undertaken to speed up the process of disinvestment. These include streamlining/standardisation of the procedures in selection of Advisors and other intermediaries [Legal Advisor, Asset Valuer etc.], starting activities concurrently wherever feasible, consultations with various stake-holders including trade unions representatives (whenever needed), reconstitution of the Disinvestment Commission and the decision to refer `non-strategic` PSUs (except ONGC, GAIL & IOC) to the Commission for independent and professional advice so that based on their advice, a sizeable pipeline of PSUs can be developed for disinvestment. Whenever required, disinvestment procedures are refined further, based on experience of each transaction, to reduce the time needed to close/complete a transaction.